

TAB
B-2

JUSTIFICATION

PROVISION OF DEATH BENEFIT TO A DEPENDENT
RELATIVE OF PERSONNEL WHO DIE
WHILE IN AGENCY EMPLOYMENT

Problems arising from the unusual security requirements imposed upon Agency employees are responsible for certain inequities to their survivors in procuring the monetary benefits to which they would normally be entitled. As a result of considerable study on this problem within the Agency, it is recommended that legislation be enacted to authorize payment of a death gratuity to the survivors of deceased Agency personnel.

The CIA has developed a career service concept in its employment practices which places certain unique responsibilities on its employees while at the same time providing benefits designed to compensate for some of the restrictions involved in employment with an intelligence organization. Acquisition of existing death benefits - as provided by the Civil Service Retirement Act of May 22, 1920, as amended; by the Federal Employees Compensation Act of September 7, 1916, as amended; and by commercial insurance policies - is contingent upon compliance with certain administrative requirements. In normal Government employment, the facts and records necessary to effect fairly rapid payment of claims or benefits may be made available by the Agency concerned as necessary. This is often not the case with this Agency. Security factors cause inordinate but unavoidable delays to arise in the acquisition, processing and review of data required to prove the presence of the required conditions. In some cases it is impossible to substantiate claims without jeopardizing intelligence sources. As a consequence, it is considered that employees of the CIA and their survivors are at a disadvantage, as compared with other employees of the Federal Government.

Precedent for the payment of death gratuities exists in the military services. They are authorized to pay a death gratuity of an amount equal to six months' pay at the rate received by the officer, enlisted man, or nurse at the time of his or her death (34 U.S.C. 943 Navy; 10 U.S.C. 903 Army).

The legislation proposed by the Agency would give it the necessary authority to pay death gratuities to survivors of deceased employees. The gratuity would be awarded immediately upon official notification of death and regardless of the cause of death. However, intoxication, attempts to do harm to oneself, or any deliberate misconduct on the part of the employee resulting in his death would raise a presumption of ineligibility of the survivor(s) to the gratuity. The gratuity would be available only to the survivors of bona fide employees of this Agency. The gratuity would be in the amount of \$1000 and would provide an appropriate and immediate financial assistance to survivors, the equivalent of about three months of average income. Since this gratuity would be contingent solely upon death while the individual is in the employ of the Agency, it would be in addition to any other compensation or benefit to which the survivor might be entitled. The gratuity would not be subject to set-off for indebtedness.

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SECRET

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25X1 It is estimated that the cost of a death gratuity program such as the above would not be excessive in terms of the benefits which would be derived. Approximately ☐ Agency employees died during the past two fiscal years. In comparison with the total number of Agency employees, the cost per employee covered would be small; yet, it is believed that the provision of this benefit would be advantageous to the Agency and its personnel.

Favorable consideration of the proposed legislation is requested.

EDUCATIONAL ALLOWANCES